

## Message Text

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21

ACTION EUR-12

INFO OCT-01 AF-06 NEA-09 ISO-00 IO-10 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 EB-07 CIEP-01 TRSE-00

STR-01 OMB-01 CEA-01 COME-00 FRB-03 XMB-02 OPIC-03

LAB-04 SIL-01 SAM-01 NIC-01 ACDA-05 /118 W

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P R 151020Z MAR 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 2102

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMCONSUL LOURENCO MARQUES

AMCONSUL LUANDA

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

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EO 11652: N/A

TAGS: PINT, PO

SUBJECT: BANK NATIONALIZATION: FURTHER DEVELOPMENTS

REF: LISBON 1404, 1423, 1428

1. IN BRIEF TV INTERVIEW NIGHT MARCH 14, PRIME MINISTER VASCO  
GONCALVES STRESSED THAT NATIONALIZATION OF PRIVATE BANKS IN  
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PORTUGAL DID NOT MEAN THAT THE ENTIRE ECONOMY WAS GOING TO BE

NATIONALIZED. NOR DID IT MEAN THE END OF PRIVATE INITIATIVE.

2. GONCALVES TOOK PAINS TO PLACE BANK NATIONALIZATION, WHICH HE LAUDED ENTHUSIASTICALLY, IN CONTEXT OF BETTER ECONOMIC DEVELOPMENT FOR COUNTRY. SAID THAT NOW THE PEOPLE'S MONEY WOULD SERVE THE TRUE INTERESTS OF THE COUNTRY. SAID THAT PEOPLE SHOULD NOT EXPECT MIRACLES FROM NATIONALIZATION OF BANKS, THAT HARD DAYS OF SACRIFICE LAY AHEAD.

3. GONCALVES DID NOT MENTION COMPENSATION FOR BANKS WHICH HAVE BEEN NATIONALIZED.

4. PRESIDENT COSTA GOMES ALSO ADDRESSED HUGE NIGHTTIME RALLY IN FRONT OF PRESIDENTIAL PALACE. WELCOMED BANK NATIONALIZATION, CALLING IT "MOST REVOLUTIONARY LAW EVER PROMULGATED IN THIS COUNTRY." SAID IT WAS "EXTREMELY POSITIVE" MEASURE WHICH FOR FIRST TIME WOULD SUBORDINATE ECONOMIC POWER TO POLITICAL POWER. AT SAME TIME, PRESIDENT SAID FOR MEASURE TO GIVE GOOD RESULTS HARD WORK WAS NECESSARY.

5. IN SEPARATE STATEMENTS, SOCIALIST AND COMMUNIST PARTIES WELCOMED NATIONALIZATION OF BANKS. PCP LABELED MEASURE "INDISPENSABLE FOR DEVELOPMENT OF DEMOCRATIC PROCESS," AND CALLED FOR COUNTRYWIDE DEMONSTRATIONS OF POPULAR JOY. SOCIALISTS NOTED THAT NATIONALIZATION AS WELL AS FLIGHT AND IMPRISONMENT OF ECONOMIC LEADERS IS TANTAMOUNT TO "DESTRUCTION OF POWER CENTER OF NATIONAL CAPITALISM." SOCIALISTS ALSO POINTED OUT THAT BANK NATIONALIZATION HAS LONG BEEN PART OF THEIR PROGRAM. POPULAR DEMOCRATS LIMITED THEMSELVES TO EXPRESSING HOPE THAT NEW BANK ADMINISTRATORS WOULD BE DEMOCRATICALLY ELECTED BY BANK EMPLOYEES THEMSELVES.

6. MEANWHILE, INSURANCE WORKERS CONTINUE TO CALL FOR NATIONALIZATION OF ALL INSURANCE COMPANIES AND SOME INSURANCE COMPANY OFFICES HAVE BEEN OCCUPIED BY EMPLOYEES.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC PROGRAMS, SOCIAL CHANGE  
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**Draft Date:** 15 MAR 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**Disposition Reason:**  
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**Status:** NATIVE  
**Subject:** BANK NATIONALIZATION: FURTHER DEVELOPMENTS  
**TAGS:** PINT, PO  
**To:** STATE  
**Type:** TE  
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